

AN ACT

ENTITLED, An Act to revise the surety bond requirements for persons employed by mortgage brokerages.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 54-14-12 be amended by adding thereto a NEW SUBDIVISION to read as follows:

"Mortgage brokerage," any person engaged in placing loans with investors for a fee, but does not service such loans;

Section 2. That § 54-14-24 be amended to read as follows:

54-14-24. Any applicant for a license shall submit with the application a bond in the amount of twenty-five thousand dollars. The bond shall be issued by a surety company qualified to do business as a surety in this state. The bond shall be in favor of this state for the use of this state and any person who has a cause of action under this chapter against the licensee. The bond shall be conditioned on:

- (1) The licensee's faithful performance under this chapter and any rules adopted pursuant to this chapter; and
- (2) The payment of any amounts that are due to the state or another person during the time the bond is in force.

The bond may be continuous, and regardless of how long the bond remains in force, the aggregate liability of a surety to all persons damaged by a licensee's violation of the provisions of this chapter may not exceed the amount of the bond. The bond may be cancelled by the surety upon thirty days notice to the licensee and the director, and the surety's liability on the bond shall also terminate upon the effective date of any suspension or revocation of the license.

A mortgage brokerage may obtain one bond to satisfy the bond requirement for individual applicants employed by the mortgage brokerage.

An Act to revise the surety bond requirements for persons employed by mortgage brokerages.

I certify that the attached Act
originated in the

SENATE as Bill No. 157

Secretary of the Senate

President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 157

File No. _____

Chapter No. _____

Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20____
at _____ o'clock ____ M.

Secretary of State

By _____
Asst. Secretary of State